Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF VIGAN CITY

Office of the Schools Division Superintendent

OFFICE MEMORANDUM
No. 48, s.2026

REITERATION ON THE GUIDELINES IN THE UTILIZATION AND LIQUIDATON OF PETTY CASH FUND

To: Assistant Schools Division Superintendent
CES, SGOD
CES, CID
Section/Unit Heads
All Others Concerned

1. In reference to the Government Accounting Manual (GAM), Volume I, Chapter 6, Section 35 to 38 on the Procedures for Disbursements Through Petty Cash, this Office reiterates the following guidelines regarding the utilization and liquidation of the Petty Cash Fund (PCF).

a. The petty cash fund shall be used only for immediate minor and miscellaneous expenses which cannot be conveniently paid through the issuance of checks.

b. All petty cash disbursements must not exceed P15,000.00 for each transaction. Market Scoping and canvass from at least three suppliers is required for purchases involving P1,000.00 and above, except for purchases made while on official travel. Splitting of transactions to avoid exceeding the ceiling shall not be allowed.

c. The **requesting personnel shall be responsible in accomplishing the Petty Cash Voucher and the submission of complete and required supporting documents prior to the release and upon liquidation of the cash advance.**

d. The list of Documentary requirements as specified in the COA Circular No. 2012-001 dated June 14, 2012:
1. Approved Purchase Request (PR) with certificate of emergency purchase, if necessary and applicable

2. Bills, receipts and/or invoices
3. Inspection and Acceptance Report
4. Report of Waste Materials in case of replacement/repair
5. Approved trip ticket, for gasoline expenses
6. Canvass from at least three suppliers is required for purchases involving P1,000.00 and above, except for purchases made while on official travel.
7. Abstract of quotation
8. Petty Cash Vouchers duly accomplish and signed
9. Sales Invoice/Official Receipt in case of refund
10. For reimbursement of toll receipts
    - Toll Receipts
    - Trip Tickets
11. Such other supporting documents that may be required and/or required under the company policy depending on the nature of expenses.

2. Cash advances from PCF must be **liquidated immediately** after the purpose has been served, but **not later than three days from the date of grant**, or as prescribed in DepEd Citizen's Charter.

3. Failure to liquidate within the prescribed period shall be dealt with accordingly.
4. Attached are the Process Flow (Annex A) on the Request and Liquidation Petty Cash Fund, Government Auditing Manual (GAM) Section 35 and Citizen's Charter in Cash Section for your guide.

5. All concerned are advised to observe the above provisions to avoid audit observations and ensure sound financial management.

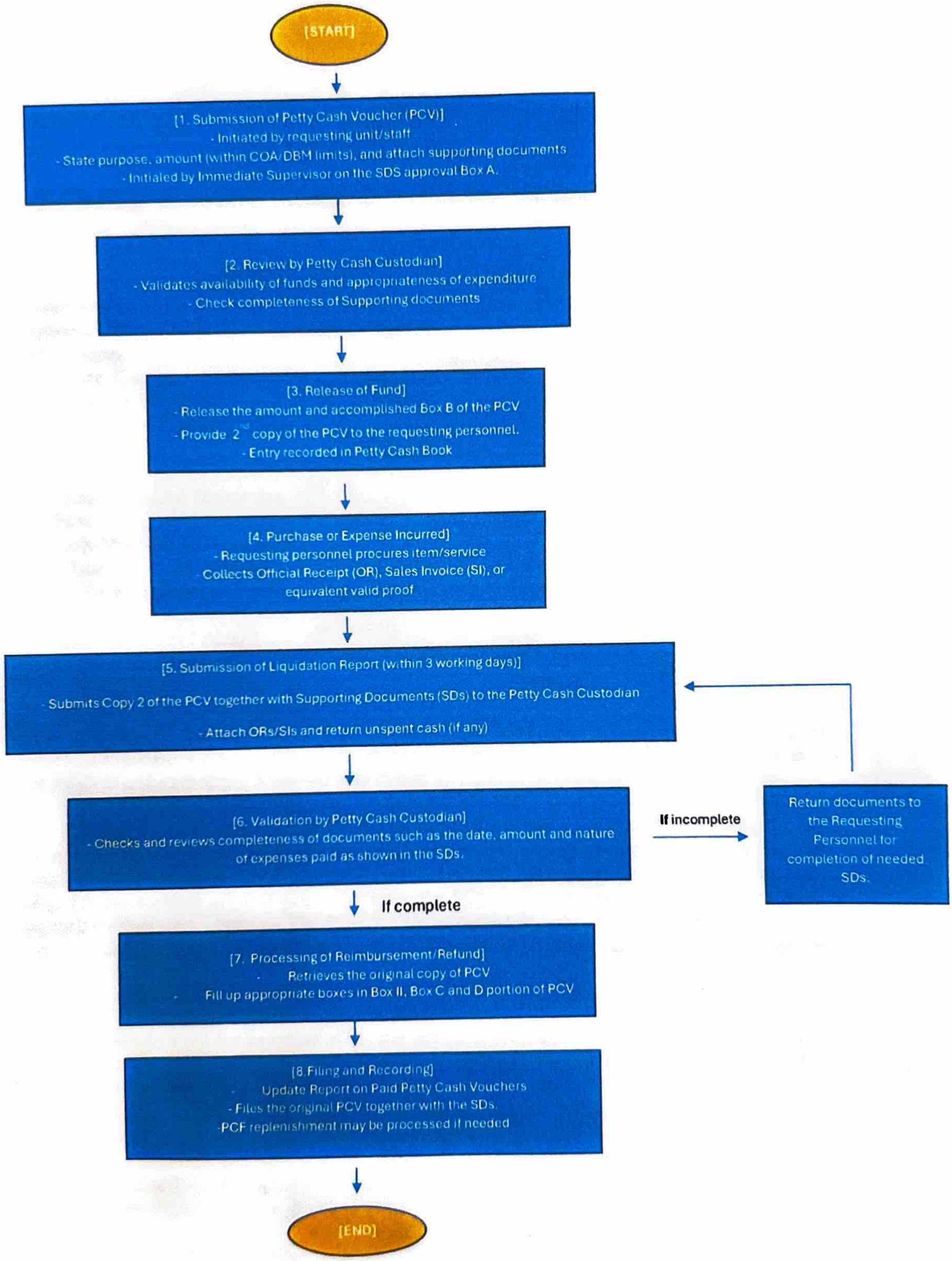
6. For your strict compliance.

SCHOOLS DIVISION OFFICE
DEPED VIGAN CITY
27 JUL 2026
RELEASED
BY:

VILMA D. EDA, CESO V
Schools Division Superintendent

Annex A

PROCESS FLOW ON THE REQUEST AND LIQUIDATION OF PETTY CASH



Area of Responsibility	Seq. No.	Activity

Note 4 – For the succeeding activities, refer to Chapter on Financial Reporting for the preparation and submission of Trial Balances, Financial Statements and Other Reports.

Sec. 34. Illustrative Accounting Entries for Advances to Special Disbursing Officers

Account Title	Account Code	Debit	Credit
Assumptions:			
Estimated Expenses for the celebration of agency anniversary:			
Office Supplies Expenses ₱ 10,000			
Traveling Expenses 15,000			
Printing and Publication Expenses 5,000			
Total ₱ 30,000			
Advances to Special Disbursing Officer	19901030	₱ 30,000	
Cash-Modified Disbursement System (MDS), Regular	10104040		₱ 30,000
To recognize the granting of cash advance for the anniversary celebration			
Traveling Expenses-Local	50201010	₱ 15,000	
Office Supplies Expenses	50203010	10,000	
Printing and Publication Expenses	50299020	5,000	
Advances to Special Disbursing Officer	19901030		₱ 30,000
To recognize the liquidation of cash advance after the anniversary celebration based on the RCDisb and supporting documents submitted by the Special Disbursing Officer			

Sec. 35. Cash Advance for Petty Operating Expenses. The Petty Cash Fund (PCF) to be set up shall be sufficient for the recurring petty operating expenses of the agency for one month. It shall be maintained using the Imprest System. All replenishments shall be directly charged to the expense account and at all times, the PCF shall be equal to the total cash on hand and the unreplenished expenses. The PCF shall be replenished as soon as disbursements reach at least 75% or as needed. The following are the accounting policies regarding cash advance for PCF:

a. The fund shall be kept separately from the regular cash advances/collections and shall not be used for payment of regular expenses such as rentals, subscriptions, light and water bills, purchase of supplies and materials for stock purposes, and the like. Payments out of PCF, which shall be made through a Petty Cash Voucher (PCV) (*Appendix 48*), should be allowed only for amounts not exceeding ₱15,000 for each transaction, except when a higher amount is allowed by law and/or specific authority by the COA. Splitting of transactions to avoid exceeding the ceiling shall not be allowed. All disbursements out of PCF shall be covered by duly accomplished and approved PCV supported by cash invoices, ORs or other evidence of disbursements;

b. The unused balance of the PCF shall not be closed/refunded at the end of the year. The fund shall be closed only upon termination, separation, retirement or dismissal of the Petty Cash Fund Custodian (PCFC), who in turn shall refund any balance to close his/her cash accountability; and

c. At the end of the year, the PCFC shall submit to the Accounting Division/Unit all unreplenished Petty Cash Vouchers (PCVs) for recording in the books of accounts.

Sec. 36. **Documentary Requirements.** The documentary requirements for PCF as provided under COA Circular No. 2012-001 dated June 14, 2012, amended by COA Circular No. 2013-001 dated January 10, 2013, and under this Chapter, are as follows:

a. Granting of Petty Cash Advance

1. Authority of an accountable officer issued by the Head of the Agency or his/her duly authorized representatives indicating the maximum accountability and purpose of cash advance (for initial cash advance);
2. Certification from the Accountant that previous cash advances have been liquidated and accounted for in the books; and
3. Approved application for bond and/or Fidelity Bond for the year for cash accountability of ₱5,001 or more as provided under Treasury Circular No. 02-2009 dated August 6, 2009.

b. Additional Documentary Requirements for initial cash advances

1. Approved estimates of petty expenses for one month; and
2. Copy of policy for maintaining PCF under the imprest system

c. Liquidation of PCF

1. Report on Paid Petty Cash Vouchers (RPPCV) (*Appendix 49*);
2. Approved purchase request with certificate of Emergency Purchase if necessary;
3. Bill, receipts, sales invoices
4. Inspection and Acceptance Report (IAR) (*Appendix 62*);
5. Waste Materials Report (WMR) (*Appendix 65*) in case of replacement/repair;
6. Approved Trip Ticket, for gasoline/fuel expenses;
7. Canvass from at least three suppliers for purchases involving P1,000 and above, except for purchases made while on official travel;
8. Summary/Abstract of Canvass;
9. PCVs duly accomplished and signed;
10. OR in case of refund;

11. For reimbursement of toll receipts; and

   i. Toll Receipts
   ii. Trip Tickets

12. Such other supporting document that may be required.

Sec. 37. **Accounting Books, Records, Forms and Reports to be Prepared and Maintained.** The PCFC shall prepare the RPPCV and maintain the Petty Cash Fund Record (PCFR) (*Appendix 50*) to monitor and control the granting and utilization of the fund. The RPPCVs shall be the basis in the preparation of the DV to replenish the PCF. The Accounting Division/Unit shall record the replenishment of PCF in the CkDJ through a JEV and shall maintain SL to monitor and control accountability.

Sec. 38. **Procedures for Disbursements through Petty Cash**

Area of Responsibility	Seq. No.	Activity
		Establishment of PCF
Various Units Petty Cash Fund Custodian	1	Receives the approved check from the Cashier for the establishment of PCF. Records in the PCFR the date, particulars, reference and the amount of check in the 'Cash Advance' column.
	2	Encashes check in GSB and keeps cash in a safety vault. *Note 1* – Agencies are enjoined to institute adequate internal control to safeguard government funds against possible losses/ misappropriations.
		Utilization of Cash Advance from PCF
Requesting Personnel	3	Accomplishes Box I columns 'Particulars' and 'Amount' and Box A "Requested by" portion of the PCV.
Immediate Supervisor	4	Signs Box A "Approved by" portion of the PCV and returns to Requesting Personnel.
Requesting Personnel	5	Submits the required documents to the PCFC for the release of fund.
Petty Cash Custodian	6	Receives from the Requesting Personnel the PCV duly approved by the Immediate Supervisor of the Requestor.
	7	Upon release of the petty cash, signs in Box B "Paid by" portion of the PCV.
Requesting Personnel	8	Receives petty cash and signs in Box B "Cash Received by" portion of the PCV.
Petty Cash Custodian	9	Issues Copy 2 of the PCV to the Requesting Personnel.
	10	Files the original of PCV awaiting liquidation.

Area of Responsibility	Seq. No.	Activity
		Liquidation of Cash Advance from PCF
	11	Receives from Requesting Personnel Copy 2 of the PCV together with SDs. Checks and reviews completeness of documents such as the date, amount and nature of expenses paid as shown in the SDs. If incomplete, returns to Requesting Personnel for completion of needed SDs.
	12	If complete, retrieves the original of PCV from file and fills up Box II "Total Amount Granted", "Total Amount Paid per OR/Invoice No.", and "Amount Refunded/ Reimbursed" portion of the original and Copy 2 of PCVs.
	13	Checks the appropriate boxes for "Received Refund" or "Reimbursement Paid" portion and signs Box C of the PCV.
Requesting Personnel	14	Checks and fills up the appropriate boxes for "Liquidation Submitted by" and "Reimbursement Received by" upon submission of necessary SDs and receipt or reimbursement of cash, if any, and signs Box D of the PCV.
Petty Cash Fund Custodian	15	Returns Copy 2 of the PCV to the Requesting Personnel.
	16	Retrieves PCFR from file and records paid PCVs. Fills up the following columns: date, PCV No., name of payee, nature of payment and the amount in the 'Disbursements' and 'Cash Advance Balance' columns.
	17	Files the original PCV together with the SDs.
		Replenishment of PCF
	18	Retrieves from file the original of the PCV together with the SDs. Checks the completeness of all PCVs for replenishment.
	19	Based on the paid PCVs and SDs, prepares the RPPCVs in two copies. Signs the "Certification" portion of the RPPCV. *Note 1* – The RPPCVs shall serve as the basis in the preparation of the DV to replenish the PCF. *Note 2* – In case of retirement, separation, termination or dismissal of the PCFC, any unused balance shall be refunded to close the accountability. The incoming Custodian shall be granted a new PCF.
	21	Based on the RPPCVs, prepares DV in four copies and ORS in three copies. Forwards Copies 1-4 of the DV, original of the RPPCVs and PCV, and SDs to Authorized Official for review and signature.

Area of Responsibility	Seq. No.	Activity
Authorized Official	22	Signs in Box A portion of the ORS and DV.
Petty Cash Fund Custodian	23	Forwards Copies 1-4 of the DV, Copies 1-3 of ORS, originals of RPPCVs and PCVs and SDs to Budget Division for recording of obligation. *Note 3* – For the processing of ORS and check, refer to Sec. 15 of Chapter 3 and Sec. 12 of this Chapter, respectively. *Note 4* – For the recording of replenishment of PCF, refer to Seq. 32 to 37 of Sec. 12 of this Chapter. *Note 5* – The RPPCVs shall be distributed as follows: *Original* – COA Auditor, through the Accounting Division/Unit, together with the original copies of the paid PCVs and SDs *Copy 2* – Treasury/Cash Unit

Sec. 39. Illustrative Accounting Entries for Disbursements Out of Petty Cash

Account Title		Account Code	Debit	Credit
Assumptions:				
Estimated Expenses:				
Traveling Expenses	₱10,000			
Office Supplies Expenses	8,000			
Postage and Courier Expenses	5,000			
Fuel, Oil and Lubricants Expenses	2,000			
Other MOOE	5,000			
Total	₱ 30,000			
Petty Cash		10101020	₱ 30,000	
Cash-Modified Disbursement System (MDS), Regular		10104040		₱ 30,000
To record the establishment of PCF				
Traveling Expense-Local		50201010	₱ 10,000	
Office Supplies Expenses		50203010	8,000	
Fuel, Oil and Lubricants		50203090	2,000	
Postage and Courier Expenses		50205010	5,000	
Other Maintenance and Operating Expenses		50299990	4,800	
Cash-Modified Disbursement System (MDS), Regular		10104040		₱ 29,800
To record the replenishment of Petty Cash based on the DV, RPPCVs and SDs				
Cash-Collecting Officer		10101010	₱ 200	
Petty Cash		10101020		₱ 200
To record return of unused PCF upon retirement, resignation, separation and termination of the Petty Cash Custodian based on the OR				

Administrative Division – Cash Section

1. Handling of Cash Advances

Issuance of Cash Advance to Requesting DepEd Office. The Cashier is allowed for advances, especially on cases where payment of cash is necessary. However, the grant of cash advances to Cashier is still based on the general accounting rules and regulations.

Office or Division:	Cash Section			
Classification:	Simple Transaction			
Type of Transaction:	Government to Government (G2G)			
Who may avail:	DepEd Employees			
CHECKLIST OF REQUIREMENTS		**WHERE TO SECURE**		
1. Authority to Cash Advance (1 Original Copy)		Accounting Office		
2. Certification of No Unliquidated CAs from Accountant (1 Original Copy)		respective office/bureau/service		
CLIENT STEPS	**AGENCY ACTION**	**FEES TO BE PAID**	**PROCESSING TIME**	**PERSON RESPONS IBLE**
	1. Request Authority to Cash Advance	None	10 minutes	Cashier
	1.1. Forward the request to Head of Office for approv al	None	5 minutes	Cash Personnel
	1.2. Receive the approved requestand complete the documentary requirements needed for Cash Advances	None	10 minutes	Cash Personnel
	1.3. Prepare ORS/DV	None	10 minutes	Cash Personnel
	1.4. Forward the ORS/D V to	None	10 minutes	Cash Personnel

	signatories			
	1.5. Receive complete, accurate and approved DV, ORS, ADA and supporting documents from Head of Office and Certificate of	None	10 minutes	Cash Personnel
	1.6. Prepare check/ACIC	None	10 minutes	Cash Personnel
	1.7. Review and signthe check/ADA and ACIC	None	10 minutes	Cashier
	1.8. Forward check and ACIC to the Head of Office forsignature	None	10 minutes	Cash Personnel
	1.9. Sign the check/ADA and ACIC	None	2 days	Head ofOffice
	1.10. Cash Section receive the signed check and ACIC	None	10 minutes	Cash Personnel
	1.11. Submit the ACIC to the bank/encode details to EMDS (on-line banking facility)	None	1 hour	Cash Personnel
	1.12. Encash for disbursement	None	1 hour	Cashier
2. Receive and sign the payroll/ disbursem ent voucher and Official Receipts/ RER if applicable	2.1. Disburse the cash to the payees from the approved activitydesign	None	10 minutes	Cashier

	2.2. Segregate and prepare the cashfor each payee (payroll account)	None	1 hour	Cashier
	TOTAL	**None**	**2 days, 4 hours, 45 minutes**	